

**Nassau County  
Office of the Comptroller**



**Cost-Saving Ideas for Special Districts in Nassau County**

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**NASSAU COUNTY**  
**OFFICE OF THE COMPTROLLER**

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## **I. INTRODUCTION**

When governments spend more money, taxes increase. This paper explores ways for one type of government, special districts, to spend less.<sup>1</sup>

There are over 200 special taxing districts providing services for town residents in Nassau County. The total tax bill for town special districts was \$473,491,596 in 2006. More than half of these special districts are run by independently elected commissioners, which levied \$238,097,382 in taxes during 2006; the rest of the districts are run directly by town officials. The town-run districts are generally subject to the same financial controls and oversight that the towns apply to their own spending. While many of the commissioner-run districts are efficiently operated, there are still a number of areas where costs can be cut and program changes can be made. Most of the commissioner-run districts want to spend less and are already engaged in responsible reviews of spending. This report provides a range of ideas for additional cost savings for commissioner-run districts; some of these ideas are simple to accomplish, but many will take dedication and hard work to put into effect.

Based on our audits of sanitary districts, we believe that application of these ideas could save between 10 and 15 percent of the current costs of operation of special districts. A 10 to 15 percent reduction in taxes imposed by commissioner-run special districts would have saved Nassau County residents between \$23.8 million and \$35.7 million in 2006 alone. The total savings available through application of the ideas laid out in this report depends on whether any particular district has already taken steps to cut costs. Given the amount of potential savings, however, we think that special district budgets must be given careful scrutiny.

Special district budgets are subject to two oversight mechanisms: elections for commissioners and ongoing town review of proposed special districts budgets. Since special district elections are not held on the same day as school, town, county, or village

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<sup>1</sup> This report has been shared in draft with the offices of Assemblyman DiNapoli, Senator Balboni, County Executive Suozzi, Chairman of the Board of Assessors Levinson, and Supervisors Kaiman, Murray and Venditto, along with Richard Guardino, Dean of Hofstra University's Center for Suburban Studies. We appreciate their comments, many of which are incorporated into the paper.

elections, turnout is usually low. Turnout in some special district elections is less than 2% of eligible voters.<sup>2</sup> This makes it more important that the towns review proposed special district budgets and exercise their authority to reduce proposed expenses where warranted.

Under New York State Town Law §215[10], towns have the authority to reduce any item in special district budgets except estimated revenues and debt service.<sup>3</sup> In 2006, the Towns of North Hempstead and Oyster Bay began exercising this authority and actively reviewing the proposed budgets of their commissioner-run special districts. In reviewing proposed budgets, commissioner-run districts can be treated the same way town-run districts are treated; they must justify proposed expenditures under the threat of having their budgets reduced. The Towns' review of proposed budgets can identify opportunities for savings and long-term cost-cutting changes that might go unrealized by district commissioners. The ideas contained in this report can help guide Town officials in their review of proposed special district budgets.

Hempstead Town Supervisor Murray has stated that "The Town of Hempstead Town Attorney reads Town Law §215[10] as limiting town authority with respect to special district budgets. Given those limits – and the independently elected nature of the boards which propose these budgets – the Hempstead Town Board feels largely constrained to respect the special district budgets which are submitted to it."

We believe that all special district taxpayers benefit from knowledgeable scrutiny of proposed special district budgets by town officials.

## **BACKGROUND**

In 2005, this office conducted audits of sanitary districts in Nassau County.<sup>4</sup> In a number of those districts we found serious financial mismanagement, a lack of oversight,

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<sup>2</sup> Howard S. Weitzman, *Nassau County Special Districts: The Case for Reform* (Dec. 19, 2005), <http://www.co.nassau.ny.us/comptoller/auditreports.html>.

<sup>3</sup> This section of the Town Law applies to special improvement districts created pursuant to the Town Law. It does not, however, authorize Town Boards to make changes to fire district budgets.

<sup>4</sup> These audits are available on the Nassau County Comptroller's Web site, at <http://www.co.nassau.ny.us/comptoller/auditreports.html>.

few, if any, written policies and procedures, overspending, faulty contracting, and questionable employment and benefit practices. A follow-up white paper discussed problems of waste, fraud and abuse in special districts generally.<sup>5</sup> These findings in sanitary districts are consistent with published reports about wasteful practices in some Fire Districts.<sup>6</sup>

In 2006, local public officials joined with Nassau County Comptroller Howard Weitzman on a bipartisan basis to explore solutions to the problems outlined in our audits. On June 8, 2006, the group of officials, including New York State Assemblyman DiNapoli, New York State Senator Balboni, Nassau County Executive Suozzi, Chairman of the Board of Assessors Levinson, and Town Supervisors Kaiman, Murray and Venditto, along with Richard Guardino, Dean of Hofstra University's Center for Suburban Studies, joined Nassau County Comptroller Weitzman in organizing a Conference on Nassau County Special Districts. The conference, sponsored by Hofstra University, Cablevision, the Long Island Association, the Rauch Foundation and Herald Communities Newspapers, brought out nearly 400 concerned residents who wanted to participate in the discussion and hear from local officials and government policy experts on the role of special districts in the 21<sup>st</sup> century. Participants expressed a range of opinions on the multiple layers of government in Nassau County, the oversight and accountability of special districts and whether there are ways to generate savings at the district level.

In response to the many issues raised at the conference, this office and representatives of the conference organizers held a series of meetings with representatives from fire, water and sanitary districts to discuss ways that the districts can cut their costs. The meetings were productive and district commissioners and employees conveyed their concerns about costs facing the districts. All participants expressed a willingness to work together to find ways to run their districts in a more cost-effective way. These meetings helped us to identify a number of areas where local municipalities

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<sup>5</sup> Howard S. Weitzman, *Nassau County Special Districts: The Case for Reform* (Dec. 19, 2003), <http://www.co.nassau.ny.us/comptroller/auditreports.html>.

<sup>6</sup> Elizabeth Moore, *Fire Alarm*, Newsday (2005), <http://www.newsday.com/news/local/longisland>, for a special report on Long Island's Fire Districts.

can work together in an effort to cut costs while maintaining quality services to their constituents.

## **II. COST-SAVING INITIATIVES**

Following are a number of opportunities for cost savings that merit consideration by the various districts. Some of the measures are based on possible inter-governmental agreements to share services and costs. As municipalities created by statute, special districts derive their authority from statute. New York State law provides a framework that enables municipalities to cooperate on many levels. This legal structure provides the local municipalities with the tools to structure agreements that will lead to cost savings for the taxpayers of the districts and at the same time maintain the quality services that the district residents expect.<sup>7</sup>

### **A. New Approaches to Insurance Costs**

All the district representatives agreed that a significant portion of their budgets is dedicated to costs associated with insurance. Our 2005 audits of sanitary districts showed as much as 25% of one district's budget being spent on insurance-related costs. There are a number of ways districts may reduce costs associated with insurance and ensure that they are not spending money on policies that are unnecessary or underutilized.

If the districts are truly committed to reducing their insurance expenses, they need to explore the following:

- 1) joining with other municipalities to self-insure risk whenever reasonable;
- 2) obtaining insurance from governmental providers instead of private companies; and

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<sup>7</sup> The New York State Comptroller has issued two excellent reports that explore intermunicipal cooperation and recommend that local municipalities take advantage of this statutory framework. For more information see Alan G. Hevesi, *Intermunicipal Cooperation and Consolidation: Exploring Opportunities for Savings and Improved Service Delivery*, <http://www.osc.state.ny.us/localgov/pubs/research/cooperation1.pdf>; Alan G. Hevesi, *Local Government Management Guide: Intermunicipal Cooperation*, <http://www.osc.state.ny.us/localgov/pubs/lmgmg/intermunicipal.pdf> (November 2003).

- 3) analyzing risk and increasing deductibles.

We have also identified some specific ways that the districts can control their insurance costs.

### **1. Property and Liability Insurance**

Most districts obtain property and liability insurance through brokers who arrange coverage with private insurance companies. The broker's fees are often directly related to the district's premiums – as the premiums increase, so do the broker's fees. As a result, the broker has an incentive to arrange more coverage, set low deductibles and obtain unnecessary insurance for the districts.

It is not necessary for the districts to spend taxpayer money on brokers' fees and insurance company overhead and profits. We recommend that the special districts, in conjunction with the Towns and the County, explore setting up a self-insurance program for liability risks that would cover the town and the districts within it. Article 5-G of the New York State General Municipal Law provides a framework for a group self-insurance plan through a municipal cooperation agreement.<sup>8</sup> Currently, two of the towns self-insure between \$250,000 and \$500,000 in liability and have an insurance policy to pick up the excess liability. The County and the Town of Hempstead self-insure almost all liability risks.

One way to structure such a municipal cooperation agreement would be for the towns or the County to pool risk, up to the self-insurance amount. In addition to lower costs, since self-insurance only involves the cost of the risk, not the additional expense of profit for the insurance company, the Towns' and/or the County's involvement in risk management may help the district adopt a more disciplined approach to risk assessment and cost control.

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<sup>8</sup> N.Y. Gen. Mun. L. § 119-o [1] (2006) (authorizing municipalities to enter into a cooperative agreement to jointly provide a service that each is individually authorized to provide); Op. N.Y. State Compt. 82-197 (stating that a county and towns within the county may enter into a group self-insurance plan).

A national insurance expert has advised us that self-insurance could save districts between 40 and 50% of their insurance costs. As an example, conservatively assuming only a 40% savings over the current cost of private insurance, a single sanitation district whose budget we analyzed could save over \$280,000 per year on property and liability insurance alone.

As an alternative to self-insurance, the districts can participate in the New York Municipal Insurance Reciprocal (“NYMIR”). NYMIR is a not-for-profit licensed insurance company owned and operated by its subscribers - counties, towns, villages and cities located throughout New York State.<sup>9</sup> NYMIR is run by a board of representatives that is both appointed and elected by the members, and offers a comprehensive municipal insurance program. This program could provide a substantial savings to the districts because as a non-profit insurance provider, the rates will be lower, and the districts eliminate the need to pay broker fees. Additionally, NYMIR subscribers get the benefit of the company’s risk management program, which could lead to reducing the districts’ risk exposure, and ultimately their costs as well.

In any event, districts should review the deductibles established on their liability policies. For example, some of the sanitary districts have deductibles as low as \$500 on their commercial vehicle insurance policies. It is not likely that an objective analysis of risk and the cost of insurance would lead any district to select such a low deductible. Just as most home and car owners do, reviewing deductibles and setting them higher, in effect self-insuring up to the deductible amount, can decrease overall insurance costs.

## **2. Workers’ Compensation**

Every employer is required by state law to have workers’ compensation insurance coverage, whether through an insurance carrier or a self-insurance program.<sup>10</sup> During our audits of sanitary districts and recent meetings with districts, we found that many districts are meeting this mandate by carrying workers’ compensation insurance through private

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<sup>9</sup> For more information about NYMIR see <http://www.nymir.org/who.shtml>.

<sup>10</sup> N.Y. Workers’ Comp. L. § 50 (2006).



insurance companies. In most instances, this is the most expensive way to insure for workers' compensation claims.

Districts have viable alternatives to private insurance that could help save money. State law creates the State Insurance Fund as an alternative to private insurance or self-insurance.<sup>11</sup> This fund functions the same as a private insurance company, but costs significantly less than private companies.<sup>12</sup>

We also recommend that Districts explore the possible avenues for self-insurance. Districts can join with the Towns to self-insure workers' compensation claims. Alternatively, districts can create a pool among themselves to self-insure workers' compensation claims.<sup>13</sup> New York State Law specifically authorizes districts that employ persons performing work in connection with a given industry to adopt a group self-insurance plan.<sup>14</sup> For example, districts with similar risks, such as sanitary districts that employ refuse collectors, could create a group self-insurance plan under this statute. This structure would provide significant savings to the participating districts because it eliminates the premiums for insurance that is going unused, the districts do not need to factor broker fees into their costs, and they are able to share risks with other districts. In fact, using the assumption that self-insurance can save 40% of a district's insurance costs, one district we audited would see a savings of \$640,000 per year.

Additionally, fire districts have the option of participating in the Fire Districts of New York Mutual Insurance Company, Inc., a not-for-profit workers' compensation insurance company started by a group of New York State Fire Districts.<sup>15</sup> The insurance company provides workers' compensation insurance for volunteer firefighters and ambulance workers.

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<sup>11</sup> *Id.* at § 76.

<sup>12</sup> For more information about the New York State Insurance Fund see <http://ww3.nysif.com>.

<sup>13</sup> N.Y. Workers' Comp. L. § 50 (2006).

<sup>14</sup> *Id.* at § 50 [3-a](2).

<sup>15</sup> For more information about the Fire Districts of New York Mutual Insurance Company, Inc., see its Web site at <http://www.fdmny.com>.

### **3. Health Insurance**

The cost of health insurance increases every year and is a major contributor to district insurance expenses. Districts can reduce their health insurance costs by participating in the New York State Health Insurance Program (NYSHIP). Many of the local municipalities, including the County, the Towns and a number of special districts, already participate in this program.<sup>16</sup> We have found that NYSHIP provides quality coverage to the employees for the same - or less - than a private insurance company, and without the additional cost of a broker fee. Our audit of one sanitary district revealed that the district could have saved almost \$300,000 per year by offering insurance coverage through NYSHIP instead of through a private company.

Other approaches to controlling health insurance include:

- Restricting eligibility for health insurance to full-time employees. For example, districts should consider whether part-time employees, or professionals with a consulting relationship to the district, should receive health benefits;
- extending vesting requirements, i.e., increasing the number of years it takes for an employee to become entitled to lifetime health benefits at retirement; and
- having employees contribute toward their health insurance coverage.

### **B. Entering Into Municipal Cooperation Agreements to Obtain Goods and Services**

Our analysis has determined that districts often pay more for goods and services because they are relatively small and therefore are unable to gain leverage by offering providers bulk purchases in exchange for lower prices. Additionally, districts hire employees and retain professional services separately to fulfill needs that are common to all districts. We believe that the districts could benefit from coordinating their

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<sup>16</sup> It is possible that legislation may be required to permit fire company employees to participate in NYSHIP.

purchasing and hiring or retaining of individuals to benefit a number of districts. The New York State legislature appears to have considered that such coordination would be beneficial when it enacted Article 5-G of the General Municipal Law, which specifically authorizes municipalities to enter into municipal cooperation agreements.

### **1. Using Town Services**

Each of the three Towns in Nassau County has a department that performs certain services such as tree pruning, snow plowing, road paving, and sign making. It is our understanding that each of the towns has begun offering these services for hire to the special districts on a limited basis. Town representatives have advised that it is less expensive for districts to use services provided by the Towns than to use private for-profit companies to meet these needs.

The General Municipal Law authorizes municipalities to provide services to other governments.<sup>17</sup> Thus, we recommend that the towns, to the extent that they have not done so already, create and publicize a formal list of services they offer for special districts, establish a process by which those services can be retained by special districts within the town, and streamline the process through form agreements for municipal cooperation and online access to information.<sup>18</sup> We also encourage the special districts to take advantage of these services, and work with the towns to establish the process for retaining services.

In particular, our sanitary district audits demonstrate that commissioner-run districts would see significant savings if they used shared garages and mechanics to service their sanitation trucks, as the town-run districts already do. Three commissioner-run sanitary districts that we audited employ 20 mechanics for a total salary expense of \$1,138,202, exclusive of fringe benefits. If all district mechanics worked out of one shared garage, fewer workers might be needed. Similarly, our audits show that the three commissioner-run sanitary districts maintain back-up vehicles. If the districts serviced

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<sup>17</sup> N.Y. Gen. Mun. L. §119-o[1].

<sup>18</sup> In a letter to the Comptroller, dated November 28, 2006, Town of Hempstead Supervisor Murray explained that it does not maintain lists of services it offers for hire to its special districts because the Town believes that “the leaders of special districts are generally aware of the services it provides.”

their 132 vehicles at a single garage, the districts might be able to reduce the number of back-up vehicles needed, lowering costs for taxpayers.

## **2. Reducing Costs Charged by Other Municipalities**

District representatives raised concerns about costs imposed by other municipalities for use of their property and services. While the services that the Towns provide to the districts cost less than if those same services are provided by private companies, when districts and municipalities provide services to special districts, they seem to be charging a premium at times.

For example, fire districts need to rent their hydrants from the water districts. Water district charges vary wildly, from \$40 per hydrant to as high as \$500 per hydrant. One fire district pays in excess of \$300,000 per year for its hydrant fees. Water districts have a similar concern when it comes to paving roads. When it becomes necessary to do work on water mains under county or state roads, the districts must pay the municipality responsible for repaving costs, which results in very high charges to the districts. It is imperative that the different municipalities servicing each other work together to keep costs down so as to benefit all the taxpayers on Long Island.

## **3. Purchasing**

The General Municipal Law provides that special districts can purchase equipment and services off of a New York State contract or a County contract without going through a separate bid process.<sup>19</sup> District representatives say that they use this method of securing vendors whenever possible. Unfortunately, while this process avoids complicated bidding procedures, it does not always result in the best price for the districts, and the relatively small size of most districts often thwarts efforts to bargain with vendors for a better price. There are also occasions when products or services needed are not available through a State or County contract.

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<sup>19</sup> N.Y. Gen. Mun. L. §§ 103, 104 (2006).

An alternative to purchasing off a State or County contract is to enter into municipal cooperation agreements with other districts for the purpose of purchasing items that all the districts need under a single contract. Such agreements are expressly authorized by statute.<sup>20</sup> An agreement for purposes of joint purchasing would allow the districts to get the benefit of buying items that they all use in larger quantities so as to get lower prices, and the districts could share expenses associated with a formal bid process.

Some districts raised concerns about the efficacy of joint purchasing due to variations among the districts with regard to the types of equipment and supplies they use. For example, some fire districts have smaller fire houses and therefore need smaller fire trucks. We do not believe that these distinctions should be an obstacle to entering into joint purchasing agreements. Vendors of a particular product regularly receive orders for different models of the same product, and there is no reason that they could not accommodate the various needs of different districts through a single contract.

#### **4. Professional Services**

Special districts spend hundreds of thousands of dollars every year on professional consultants such as attorneys and accountants. Often these individuals, in addition to being under contract, are put on the payroll, provided health insurance and are permitted to join the New York State pension system. Thus, in one water pollution control district, an attorney is paid \$18,000 annually as salary and an additional \$19,000 in contract fees. In addition, the district pays for the attorney's family health insurance coverage. The costs can be even greater since districts frequently grant their professional contractors the right to health insurance during retirement, often at no cost to the professional. Family health insurance under NYSHIP will cost approximately \$14,000 in 2007, and the employer contributions are charged per employee. This generosity to professional advisers results in tens of thousands of dollars in unnecessary costs to the districts every year.

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<sup>20</sup> General Municipal Law § 119-o[2][d] ("An agreement may contain provisions relating to . . . Purchasing and making of contract subject to general laws applicable to municipal corporations and school districts.").

Districts should immediately end the wasteful practice of putting consultants on their payroll, and paying for their health insurance and pensions for part-time work of less than twenty hours per week. While it may be appropriate to hire in-house counsel in certain situations, it is not appropriate for the district to also retain that same attorney as an outside contractor to perform additional work not covered by his or her salaried employment.

In addition, as an alternative to retaining professionals individually, special districts can enter into a municipal cooperation agreement among themselves, or with the towns or the County, to share legal and accounting services for those matters where there would not be a conflict of interest.<sup>21</sup> In fact, N.Y. Town Law § 215[22] specifically authorizes the town attorney to provide professional services to commissioner-run districts. For example, all the water districts within a town could retain an attorney, or use the town attorney, to give advice on DEC compliance. Or the towns could enter into municipal cooperation agreements with the districts to provide accounting services for the districts.

Sharing these services would eliminate the cost of health benefits and salaries for professionals in a number of districts. It would also allow the retained attorneys and accountants to establish an expertise about legal issues that affect the municipalities they are servicing, and would allow each of the districts to take advantage of that expertise. That expertise would also lead to cost savings because it will take attorneys paid at hourly rates less time to handle routine matters.

## **5. Administrative Services**

Administrative costs, such as payroll, secretarial staff and technical support vary significantly from district to district. Audits by this office discovered that while one district spends over \$17,000 per year for payroll services for its 127 employees, a second district pays \$7,500 per year for payroll services for its 197 employees. Municipal cooperation agreements can provide for the hiring of administrative personnel and

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<sup>21</sup> Op. N.Y. State Compt. 80-789 (allowing a village to enter into a municipal cooperation agreement with other municipalities to hire a single attorney where all the municipalities have identical interests).

technical support to service more than one district.<sup>22</sup> For example, districts can use a single payroll service to prepare payroll checks for a number of districts; this can be accomplished by retaining the services of the town, jointly hiring a private company, or sharing the costs of a single district's payroll system and personnel.<sup>23</sup> A single payroll system, operated by a common staff, would save significant costs in salaries and benefits.

### **C. Bonding**

When special districts have a large project, such as a major equipment purchase or a capital project, they tend to raise taxes to cover the costs. If districts were to fund these projects through the use of municipal bonds instead of through taxes, the cost of the item or the project would be deferred over a number of years, and the taxpayers reaping the benefit of the spending would be the ones actually paying for it. Debt service is funded through current tax dollars, paid by the district residents who get the benefit of the capital project. Bonding also creates a more transparent funding process, since voters must approve such financing, whereas raising taxes to establish a capital reserve fund does not require the same level of public scrutiny.<sup>24</sup>

We acknowledge that there is a difference in the bonding process depending on the type of district. Some districts (for example, water districts) can bond through the town at the town rating, while others (for example, fire districts) must bond independently at what is likely a higher cost. Nonetheless it would still make sense to explore municipal bonding as an option in lieu of raising taxes to create a reserve fund, even if this requires changes to existing law.

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<sup>22</sup> Op. N.Y. State Compt. 81-89 (stating that a county could agree to provide computer software services to another municipality pursuant to a municipal cooperation agreement).

<sup>23</sup> Op. N.Y. State Compt. 79-244 (permitting a county to maintain a joint payroll bank account and prepare payroll checks for towns within the county).

<sup>24</sup> Recent legislative changes require voter approval for fire district capital reserve funds. N.Y. Gen. Mun. L. § 6-g (amendment effective Jan. 1, 2007). Some fire districts have taken the position that voter approval is only needed for newly established reserve funds, and that such approval is unnecessary if taxes are raised for the purpose of adding to a pre-existing capital reserve fund.

## **D. Using County Services**

### **1. County Water Testing**

Water Districts are governed by local, state and federal law, all of which require regular water testing. There are only a handful of private labs on Long Island that do the type of testing that is necessary to comply with the numerous regulations, and the testing can become very expensive for the individual water districts.

The Health Commissioner has advised us that Nassau County has a facility that can test water and meets the standards set by the various oversight agencies. We recommend that the Nassau County Department of Health offer the use of its lab to the Nassau County water districts. The cost to use Nassau County's lab could be done at a savings to the districts as compared to the cost of using a private for-profit lab.

### **2. County EMS Services**

A concern that is unique to fire districts is the difficulties associated with maintaining their ambulance services. The qualifications for EMTs are stringent and time consuming to maintain and volunteers who also work full-time jobs are often unavailable to respond during daytime hours. With the aging population on Long Island, ambulance calls are becoming more frequent, leaving the district volunteers exhausted.

While fire districts seek to continue to provide emergency services without billing users, the problem of increasing costs and the difficulty of recruiting EMTs could be relieved if the districts started charging for their ambulance services.<sup>25</sup> These costs are covered by Medicare, Medicaid and private health insurance, therefore requiring little or no out-of pocket expenses to the individual user. Charging for service would allow the districts to cover the cost of equipment and evaluate whether to hire paid EMTs to staff the ambulance service.

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<sup>25</sup> Because fire districts cannot bill directly for ambulance services, districts can organize ambulance companies using alternative corporate structures to allow them to bill users. *See* N.Y. Gen. Mun. L. §209-b(4) (2006) (prohibiting fire districts from charging a fee for its ambulance services).



Another solution would be for Nassau County to enhance its ambulance services and capability, and purchase the ambulances of willing districts that are having difficulty maintaining their volunteer ambulance services. The County could then provide the primary ambulance service to those districts. Because the County ambulance services are run by the County Police Department, which charges for their use, the direct costs of service would be covered.

### **III. NEXT STEPS**

Cost savings cannot be realized without the support and active participation of the special district commissioners and town officials. In order for Nassau County's taxpayers to reap the benefits of these cost-saving proposals, local municipalities need to develop a structure to facilitate and enact such initiatives. As an example, the Town of North Hempstead has created the Office of Inter-Municipal Coordination which has the task of working with the various municipalities in North Hempstead and helps them take advantage of the numerous services available to them to help save money. We urge each of the towns to create a task force or agency<sup>26</sup> to organize the special districts and help them come up with solutions to help them save money. One option is for the towns and the districts to create an intergovernmental relations council pursuant to section 239-n of the General Municipal Law to explore and develop areas for municipal cooperative projects.<sup>27</sup>

Additionally, this report addresses only cost-saving initiatives that are currently available to districts pursuant to state law. The County, towns and special districts should jointly lobby for certain changes to state law that would permit other money-saving options. We believe state legislation to mandate further oversight by the Towns would be of great value, as well as laws to require better training for commissioners and more effective internal controls at the district level. This office intends to work with our state

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<sup>26</sup> The Town of Hempstead does not believe that such a special council is necessary to achieve the goal of inter-municipal collaboration; it instead assigns the task of working with governments at other levels, including special districts, to an individual on the Town Supervisor's staff.

<sup>27</sup> In response to the Conference on Special Districts, one district proposed that the County or the Towns create an "Inter-municipal Message Board" that would allow municipalities to post information about services offered and upcoming request for proposals and the like to facilitate districts working together.

officials to propose legislation aimed at addressing these issues to ensure that districts are obligated to work as efficiently as possible.